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C O N F I D E N T I A L SECTION 01 OF 02 BASRAH 000034

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SUBJECT: UMM QASR DEPUTY UPBEAT ABOUTPORT'S PROPSECTS

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BASRAH 00000034 001.2 OF 002

CLASSIFIED BY: Howell Howard, Director, Basrah Regional Embassy
Office, State.
REASON: 1.4 (b), (d)

11. (C//REL MCFI) SUMMARY: REO Officers met with merchant marine Captain Hussain Mohammed Abdullah, Assistant Director General (A-DG) for Management at the Port of Umm Qasr (PUQ). The GOI has sacked PUQ A-DG for Technical Affairs Safa Abud al-Hussein, who with militia influence had been appointed less than a year ago. Hussain said the security situation and working environment had improved markedly with the Iraqi Army (IA) having displaced the JAM-saturated Facilities Protection Service (FPS). Hussain also confirmed that the GOI Council of Ministers approved commercialization plans for the PUQ that broadly follow a proposal advanced by the Embassy's Office of the Transportation Attache (OTA). Hussain's committee of port technocrats will meet next week to discuss selection of a reputable, international consultant to help write tender documents to bring in a management company for the north port and a long-term concessionaire for the south port. END SUMMARY.

12. (C//REL MCFI) REO Officers met April 17 with ex-merchant marine Captain Hussain, A-DG for Management at the PUQ. Hussain confirmed that the GOI sacked PUQ A-DG for Technical Affairs Safa Abud al-Hussein, who with militia influence had been appointed to his position a little less than a year ago. Hussain advised that Mr. Hamid al-Husseini, a former PUQ A-DG for Management, would replace Safa. Hussain said Hamid is technically competent and a welcome addition to the port staff. The down side: Hamid is three months away from mandatory retirement; Hussain hoped that the General Company for Ports of Iraq (GCPI) will work out a way for Hamid to extend past the retirement age for approximately six months so that GCPI can identify a permanent replacement to take the position. Hussain said he knew of no plans to purge more militia-affiliated GCPI "special appointees" at the PUQ but indicated that others should indeed go; he said the majority of the staff, however, was comprised of technocrats like him.

13. (C//REL MCFI) Hussain was sanguine about prospects for the port. He said the security situation had improved markedly with the IA having displaced the JAM-saturated FPS. (NOTE: Hussain could not confirm earlier REO reporting that the Iraqi Navy has taken over PUQ security responsibilities from the IA. END NOTE) Hussain remarked that, when the FPS was "handling security" at the port, he never felt free to take decisions in the best interest of the PUQ. Hussain said that, with the FPS out and the IA in, the working environment at the PUQ has changed completely: he now feels at liberty to take decisions in the port's best interests.

14. (C//REL MCFI) Hussain recounted one incident in which--shortly after leaving his house for a trip to Tokyo to

discuss a Japanese Bank of International Cooperation (JBIC) project at the PUQ--militiamen slid a note with a bullet attached under his front door; the note advised his wife to call Hussain and tell him not to go to Japan, lest his family be murdered in his absence. Hussain went regardless (at his wife's urging; he described her as a "strong woman") after confirming with Basrah Governor Mohammed Wa'eli that the Governor's office would protect his family in his absence. (COMMENT: Though apolitical, Hussain's recourse to the Governor's office for protection suggests he may have some relationship with the Fadhila party and that Fadhila is connected to the militia elements that had controlled the port. END COMMENT.)

15. (C//REL MCFI) Hussain confirmed that the GOI Council of Ministers approved commercialization plans for the PUQ that broadly follow a proposal advanced by the Embassy's Office of the Transportation Attachi (OTA)(Reftel). He said he was leading a committee of port technocrats that would select a reputable, international consultant to help the GCPI write tender documents to bring in a management company for the north port and a long-term concessionaire for the south port. The committee would be meeting to discuss the matter next week. Hussain enthusiastically supports the approach but admitted that others within the GCPI were more skeptical. Hussain was nevertheless confident that the GCPI would implement the commercialization plans. Hussain asked the REO to provide GCPI with a list of consultants whose services the company might contract; OTA is already developing such a list and will forward it to both the Deputy Minister of Transportation and Hussain.

16. (C//REL MCFI) Hussain said he had recently been in Baghdad for two days to discuss with Minister of Planning Ali Baban, among other things, the so-called "Grand Port of Iraq," a Pharaonic proposal to build a new, multi-billion dollar port facility on the al-Faw peninsula. Hussain said he thought the idea unrealistic and, worse, a distraction from the more pressing concern of improving operations at the PUQ. He advised that Gulf maritime boundary disputes and the presence of Iraq's oil export infrastructure were among the many obstacles to building a new port at al-Faw. Though the Grand Port scheme has some supporters within the GOI, Hussain strongly advised his

BASRAH 00000034 002.2 OF 002

superiors against pursuing the initiative.

17. (C//REL MCFI) COMMENT: Captain Hussain--an avowedly apolitical, career port technocrat and long-time port DG until the GOI brought in a political appointee--came across as pragmatic and cagey, yet earnest. He held himself out as an Iraqi patriot and a survivor: he talked proudly of being one of a few Iraqi maritime technocrats from his class who trained in the UK but returned to, and remained in, Iraq to work. He boasted of not having fled his native country during the Saddam era--save for a few acutely bad years in the mid-1990s when he worked as a ship captain and lectured at the maritime academy in Libya--despite difficult relations with the former regime. Similarly, he managed to find a modus vivendi with JAM when it dominated the PUQ.

18. (C//REL MCFI) Hussain was notably reserved and circumspect with his comments about JAM, always referring to the group obliquely and never by name, but expressed confidence that the IA's continued presence at the port would prevent JAM's return. He seemed keen for the PUQ to prosper. He described his affiliation with the port as a "family tradition," noting that two of his three sons worked there as well, one in the finance department and another as an engineer (the third son is a physician). He said educating and training the next generation of technocrats to operate the PUQ would be a key priority. A practicing Muslim, during our meeting an alarm on his cell-phone sounded with the mid-day call to prayer. He speaks English very well and seems a USG ally in championing within the GOI OTA's proposed commercialization plans for the PUQ. END COMMENT.

HOWARD